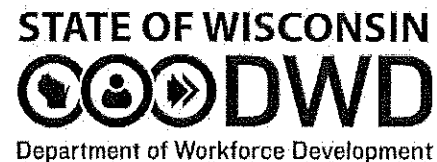


Department of Workforce Development  
Secretary's Office  
201 E. Washington Avenue  
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Telephone: (608) 266-3131  
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Scott Walker, Governor  
Reginald J. Newson, Secretary

## NOTICE OF REFERRAL TO RULES CLEARINGHOUSE

The Wisconsin Department of Workforce Development announces it has referred the following proposed rule to the Wisconsin Legislative Council Rules Clearinghouse, pursuant to s. 227.15, Stats.

**SUBJECT** Apprenticeship Completion Award Program

**ADM. CODE REFERENCE:** DWD 295

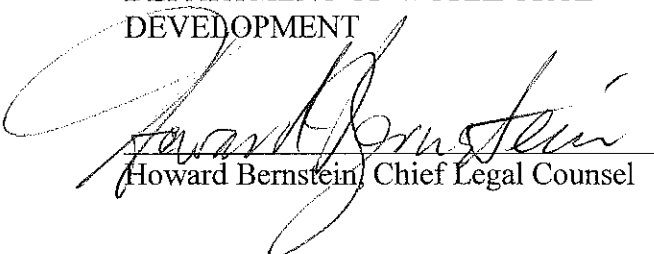
**SCOPE STATEMENT NO. :** SS 010-14

**GOVERNOR'S APPROVAL  
OF SCOPE STATEMENT:** February 13, 2014

The department will hold a public hearing on May 15, 2014, in Madison. The department's Division of Employment and Training is primarily responsible for this rule. If you have questions, you may contact Karen Morgan at (608) 266-3313 or by e-mail at [Karen.Morgan@dwd.wisconsin.gov](mailto:Karen.Morgan@dwd.wisconsin.gov).

Dated this 14th day of April, 2014.

STATE OF WISCONSIN  
DEPARTMENT OF WORKFORCE  
DEVELOPMENT



Howard Bernstein, Chief Legal Counsel

PROPOSED ORDER OF THE WISCONSIN  
DEPARTMENT OF WORKFORCE DEVELOPMENT  
CREATING AND ADOPTING RULES

- 1 The Wisconsin department of workforce development proposes the following order *to create*
  - 2 DWD 295.25 *relating to* apprenticeship completion awards.
- 

**Analysis Prepared by the Department of  
Workforce Development**

***Statutes Interpreted***

Statutes Interpreted: Ch. 106, Stats.

***Statutory Authority***

Statutory Authority: s. 106.05, Stats.

***Explanation of Statutory Authority***

The Department of Workforce Development (DWD) has responsibilities imposed by 2013 Wisconsin Act 57 (Act 57) for implementing the state's apprenticeship completion reimbursement program. DWD has specific authority to establish rules interpreting and clarifying provisions under ch. 106, Stats., relating to apprentice, employment and equal rights programs. Act 57 created s. 106.05, Stats., which provides that DWD administer an apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of the apprenticeship requirements, or the sponsors of those apprentices, and promulgate rules to implement the program.

***Related Statutes or Rules***

Chapter 106, Stats., governs the state's apprenticeship program. DWD rules for the apprenticeship completion award program will be incorporated into ch. DWD 295, which governs the fundamental procedures of the federal and state apprenticeship programs.

***Plain Language Analysis***

This rule will administer an apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of their apprenticeship requirements, and are employed in the trade, craft or business in which the person was trained or by the sponsors of those apprentices.

This rule will do all of the following:

- Establish requirements that allow DWD to distribute tuition reimbursement completion awards to an apprentice and the sponsor of the apprentice, up to 25% of the tuition costs, but no more than \$1000.
- Allow DWD to distribute awards in two parts – the first payment may be made upon the successful completion of the first year of the apprentice's contract, but the payment may not exceed \$250. The remainder of the award may be distributed upon the final completion of all requirements under the apprentice's contract.
- Determine the reimbursement award percentage, or, in the alternative, deny applications for reimbursement that would otherwise qualify, if the amount of total reimbursement requests applied for exceeds the amount appropriated, based on the dates on which apprentices and sponsors of the apprentice become eligible for the apprenticeship completion awards.
- Identify requirements that an apprentice, or sponsor of the apprentice, seeking reimbursement under this program must meet when the apprentice is delinquent in child support or maintenance payments, or owes past support, medical expenses or birth expenses.

#### ***Summary of, and comparison with, existing or proposed federal statutes and regulations***

The Code of Federal Regulation Chapter 29, Part 29, governs the U.S. Department of Labor Standards for the Registration of Apprentice Programs. There are no federal statutes or regulations equivalent to this apprenticeship completion award program.

#### ***Comparison with rules in adjacent states***

Minnesota has implemented laws relating to voluntary apprentice program administration, but does not have any comparable rules or programs similar to the apprenticeship completion award program.

Illinois, Indiana, Iowa and Michigan do not have their own state apprenticeship laws and rely on federal standards.

#### ***Summary of factual data and analytical methodologies***

This rule does not depend on any complex analysis of data. Act 57 authorized the department to create this rule. The department has adequate revenue to administer this program during the current biennium under the general purpose revenue provided for fiscal years 2013-14 and 2014-15.

***Analysis and supporting document used to determine effect on small business or in preparation of an economic impact analysis***

This rule does not impose any new regulatory burdens on any business. The purpose of this rule is to reimburse eligible tuition costs to an apprentice, or sponsor of the apprentice, upon successful completion of the first year under the apprentice's contract or upon the full completion of the apprentice's contract.

***Effect on small business***

This rule does not place any requirements on small businesses but it may have a positive impact on small businesses that employ apprentices and incur tuition costs. Small businesses that incur tuition costs may be eligible for reimbursement of up to \$1,000 per apprentice.

***Agency contact person***

Questions and comments related to this rule may be directed to:

Karen Morgan  
Department of Workforce Development  
Division of Employment and Training  
P.O. Box 7972  
Madison, WI 53708-7972  
Telephone: (608) 266-3133  
E-Mail: [Karen.morgan@dwd.wi.gov](mailto:Karen.morgan@dwd.wi.gov)

***Place where comments are to be submitted and deadline for submission***

Karen Morgan  
Department of Workforce Development  
Division of Employment and Training  
P.O. Box 7972  
Madison, WI 53708-7972  
Telephone: (608) 266-3133  
E-Mail: [Karen.morgan@dwd.wi.gov](mailto:Karen.morgan@dwd.wi.gov)

A hearing has been scheduled for May 15, 2014, in Madison. Hearing comments will be accepted until May 23, 2014.

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1           **SECTION 1.** DWD 295.25 is created to read:

2           **DWD 295.25 Apprenticeship completion award program. (1) DEFINITIONS.** In  
3 this section:

4           (a) "Sponsor" has the meaning given under s. 106.01 (8), Stats., as modified by s. 106.05  
5 (1) (a), Stats.

6           (b) "Tuition costs" has the meaning given under s. 106.05 (1) (b), Stats. Examples of  
7 costs which are not "tuition costs" include student fees charged for use of a health  
8 center, parking fees, or late fees.

9           **Note: Section 106.01 (8), Stats., defines "sponsor" as follows:**

10           "Sponsor" means any employer, organization of employees, association of  
11 employers, committee, or other person operating an apprenticeship program and  
12 in whose name the apprenticeship program is approved by the department.  
13

14  
15           **Note: Section 106.05 (1) (b), Stats., limits the definition of "sponsor" as follows:**

16           "Sponsor" does not include a state agency or local governmental unit.  
17

18  
19           **Note: Section 106.05 (1) (b), Stats., defines "tuition costs" as follows:**

20           "Tuition costs" means any fee that is charged for an apprentice to participate in  
21 related instruction under s. 106.01 (6), Stats.  
22

23  
24           **Note: Section DWD 295.001 (20), defines "related instruction" as follows:**

25           "Related instruction" means an organized and systematic form of instruction  
26 designed to provide the apprentice with the knowledge of the theoretical and  
27 technical subjects related to the apprentice's occupation. Such instruction may  
28 be given in a classroom, through occupational or industrial courses, or by  
29 correspondence courses of equivalent value, electronic media, or other forms of  
30 self-study approved by the department.  
31

32           **(2) ELIGIBILITY.** The department shall provide an apprenticeship completion award  
33 under s. 106.05, Stats., to an apprentice or sponsor who has incurred tuition costs and meets all  
34 of the following requirements:

35           (a) The apprentice has a valid apprenticeship contract under s. DWD 295.07.

1 (b) The apprentice or sponsor has not been reimbursed for any tuition costs by any other  
2 entity.

3 (c) The apprentice or sponsor completes and files an application under sub. (3), within  
4 60 days of the date of the notice provided by the department that the apprentice or sponsor is  
5 eligible for an apprenticeship completion award. If an application for a completion award is not  
6 received within 60 days of the date of the notice provided by the department, the department  
7 does not guarantee the payment of an apprenticeship completion award.

8 (d) The apprentice has successfully completed the first year of the apprenticeship  
9 contract or has fully completed the apprenticeship contract and the apprentice is employed in the  
10 trade, occupation, or business in which the apprentice is being trained.

11 (e) If the applicant is delinquent in child support or maintenance payments, or owes past  
12 support medical expenses or birth expenses, then the applicant must meet the requirements under  
13 s. 106.05 (3) (b), Stats.

14 (3) APPLICATION FOR APPRENTICESHIP COMPLETION AWARD. The application for an  
15 apprenticeship completion award shall contain all of the following:

16 (a) The name and address of the apprentice and sponsor, and identification of who is  
17 applying for reimbursement.

18 (b) A copy of all invoices and documents containing tuition costs eligible for  
19 apprenticeship completion awards. This information shall include all of the following:

- 20 1. The name and address of the entity to whom the tuition costs were paid.
- 21 2. The amount and description of all tuition costs.
- 22 3. The dates on which tuition costs were paid.

1           4. Cancelled checks or other information documenting that the apprentice or sponsor has  
2 paid all costs under subd. 2.

3           5. Any other relevant information requested by the department.

4           (c) A statement from the sponsor that states either of the following:

5           1. The apprentice has successfully completed the first year under the apprenticeship  
6 contract.

7           2. The apprentice has successfully completed the full apprenticeship contract.

8           **Note:** The application for apprenticeship completion awards can be found online at  
9 <http://www.wisconsinapprentice.org>.

10          (4) COMPLETION AWARD RATES AND RECALCULATIONS. (a) The department shall  
11 reimburse all eligible tuition costs under this section in an amount not to exceed 25%, or \$1,000,  
12 whichever is less, upon successful completion of an apprenticeship contract.

13          (b) The department shall reimburse an apprentice or sponsor up to \$250 of the total  
14 amount identified under par. (a), after the apprentice has successfully completed the first year  
15 under the apprenticeship contract.

16          (c) The department may calculate the amount of an apprenticeship completion award on  
17 a pro rata basis when both the apprentice and sponsor incur eligible tuition costs. The total  
18 amount of the apprenticeship completion award may not exceed the amounts identified under  
19 pars. (a) and (b).

20          (d) If the amount of funds to be distributed under this section exceed the amount  
21 available under s. 20.445 (1) (d), Stats., the department may do any of the following:

22           1. Recalculate the reimbursement rates of eligible tuition costs under pars. (a) and (b).

23           2. Deny applications for apprenticeship completion awards that would otherwise qualify  
24 under sub. (3), or reduce the reimbursement amount specified under pars. (a) and (b).

1           3. Distribute apprenticeship completion awards based on the dates on which the  
2    apprentices and sponsors of the apprentice become eligible for apprenticeship completion awards  
3    and determine the reimbursement percentage.

4           **SECTION 2. EFFECTIVE DATE.** This rule takes effect on the first day of the month  
5    following publication in the Wisconsin administrative register, as provided in s. 227.22 (2)  
6    (intro.), Stats.

Dated this 14th day of April, 2014.

WISCONSIN DEPARTMENT OF  
WORKFORCE DEVELOPMENT

By: 

Reginald J. Newson, Secretary



## **Wisconsin Department of Workforce Development**

# **Initial Regulatory Flexibility Analysis**

**Rule Subject:** Apprenticeship Completion Award Program  
**Adm. Code Reference:** DWD 295  
**Rules Clearinghouse #:** Not Yet Assigned

### ***Rule Summary***

The proposed rule will administer the apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of their apprenticeship requirements, and are employed in the trade, craft or business in which the person was trained or by the sponsors of those apprentices.

The proposed rule will do all of the following:

- Establish requirements that allow DWD to distribute tuition reimbursement completion awards to an apprentice and the sponsor of the apprentice, up to 25% of the tuition costs, but no more than \$1000.
- Allow DWD to distribute awards in two parts. The first payment may be made upon the successful completion of the first year of the apprentice's contract, but the payment may not exceed \$250. The remainder of the award may be distributed upon the final completion of all requirements under the apprentice's contract.
- Determine the reimbursement award percentage, or, in the alternative, deny applications for reimbursement that would otherwise qualify, if the amount of total reimbursement requests applied for exceeds the amount appropriated, based on the dates on which apprentices and sponsors of the apprentice become eligible for the apprenticeship completion awards.
- Identify requirements that an apprentice, or sponsor of the apprentice, seeking reimbursement under this program must meet when the apprentice is delinquent in child support or maintenance payments, or owes past support, medical expenses or birth expenses.

### ***Small Business Affected***

The proposed rule does not place any requirements on small businesses but it may have a positive impact on small businesses that employ apprentices and incur tuition costs. Small businesses that incur tuition costs may be eligible for reimbursement of up to \$1,000 per apprentice.

### ***Reporting, Bookkeeping and other Procedures***

The proposed rule does not regulate any small businesses and thus there are no reporting, bookkeeping, or other procedures in the amendments for small businesses.

### ***Professional Skills Required***

The proposed rule does not regulate any small businesses and thus there are no professional skills required for small businesses.

### ***Accommodation for Small Business***

The proposed rule does not impose any new regulatory burdens on any business. The purpose of this rule is to reimburse eligible tuition costs to an apprentice, or sponsor of the apprentice, upon successful completion of the first year under the apprentice's contract or upon the full completion of the apprentice's contract.

Many of the businesses indirectly affected by this rule are "small businesses." The proposed rule does not make special exceptions for small businesses because the apprenticeship completion award program will positively impact businesses of all sizes.

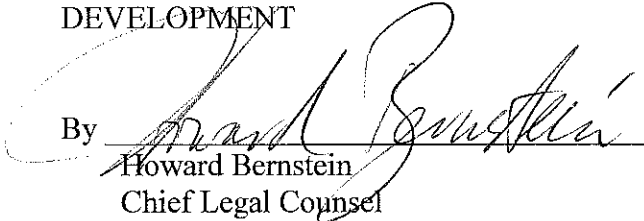
### ***Conclusion***

The proposed rule will generally benefit businesses, including small businesses. There will be no negative effects on small businesses. This rule amendment will not have a significant adverse effect on small businesses and is not subject to the delayed "small business" effective date provided in s. 227.22 (2) (e), Stats.

Dated this 14th day of April, 2014.

STATE OF WISCONSIN  
DEPARTMENT OF WORKFORCE  
DEVELOPMENT

By

  
Howard Bernstein  
Chief Legal Counsel

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

☒ Original ☐ Updated ☐ Corrected

2. Administrative Rule Chapter, Title and Number

DWD 295 Apprenticeship Program

3. Subject

The Creation of the Apprenticeship Completion Award Program

4. Fund Sources Affected

☒ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.445 (1) (d), Stats.

6. Fiscal Effect of Implementing the Rule

☒ No Fiscal Effect ☐ Increase Existing Revenues ☐ Increase Costs  
☐ Indeterminate ☐ Decrease Existing Revenues ☐ Could Absorb Within Agency's Budget  
☐ Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

☒ State's Economy ☒ Specific Businesses/Sectors  
☐ Local Government Units ☐ Public Utility Rate Payers  
☐ Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

☐ Yes ☒ No

9. Policy Problem Addressed by the Rule

This rule will administer an apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices or sponsors for apprentices who have successfully completed part or all of the apprenticeship requirements.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rule was posted for 14 days for economic impact comment. No comments were received.

11. Identify the local governmental units that participated in the development of this EIA.

None. This rule does not impact local governments.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

This rule does not impose any new regulatory burdens on any business. The purpose of this rule is to reimburse eligible tuition costs to an apprentice, or sponsor of the apprentice, upon successful completion of the first year under the apprentices' contract or upon the full completion of the apprentice's contract.

DWD anticipates one-time IT system implementation costs of \$75,000 plus annual costs of \$40,000 for IT system maintenance and program administration. This is an updated estimate to the fiscal note for 2013 Senate Bill 335, which was enacted as 2013 Wisconsin Act 57.

## ADMINISTRATIVE RULES

### Fiscal Estimate & Economic Impact Analysis

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#### 13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The purpose of this rule is to reimburse eligible tuition costs of up to \$1,000 per apprentice, to an apprentice, or sponsor of the apprentice, upon successful completion of the first year under the apprentice's contract or upon the full completion of the apprentice's contract. Implementation of the rule is required by 2013 Wisconsin Act 57.

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#### 14. Long Range Implications of Implementing the Rule

This rule does not impose any new regulatory burdens on any business. No negative impact is expected for businesses, business associations, public utility rate payers or local governmental units.

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#### 15. Compare With Approaches Being Used by Federal Government

There are no federal statutes or regulations equivalent to this apprenticeship completion award program.

---

#### 16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Minnesota has implemented laws relating to voluntary apprentice program administration, but does not have any comparable rules or programs similar to the apprenticeship completion award program.

Illinois, Indiana, Iowa and Michigan do not have their own state apprenticeship laws and rely on federal standards.

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<b>17. Contact Name</b> Karen Morgan	<b>18. Contact Phone Number</b> 608/266-3133
---	---

This document can be made available in alternate formats to individuals with disabilities upon request.

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

---

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- ☐ Less Stringent Compliance or Reporting Requirements  
☐ Less Stringent Schedules or Deadlines for Compliance or Reporting  
☐ Consolidation or Simplification of Reporting Requirements  
☐ Establishment of performance standards in lieu of Design or Operational Standards  
☐ Exemption of Small Businesses from some or all requirements  
☐ Other, describe:

---

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

☐ Yes   ☐ No

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